United States Department of Agriculture



Federal Crop Insurance Corporation



Product Administration and Standards Division

FCIC-25010 (10-2007) FCIC-25010-1 (04-2008)

LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2008 and Succeeding Crop Years

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

UNITED STATES DEPARTMENT OF AGRICULTURE WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDB	NUMBER: 25010 (10-2007) 25010-1 (04-2008)			
SUBJECT:	OPI: Product Administration and Standards Division			
LOSS ADJUSTMENT MANUAL (LAM)	APPROVED:	DATE:		
STANDARDS HANDBOOK 2008 and SUCCEEDING CROP YEARS	151 Tim B. W	lat 04/18/08		
	Deputy Administrator, Product Management			

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: Highlight identifies changes or additions in the text. Three stars (***) identify where information has been removed.

Changes for April 2008 Issuance (FCIC-25010-1):

1. PAR. 65K Clarified procedures regarding when insureds replant without notifying the AIP of intent to replant or replants without AIP's consent.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK SUMMARY OF CHANGES/CONTROL CHART (Continued)

CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK								
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Remove	1-14		147-148		10-2007	FCIC-25010-1		
Insert	1-2		147-148.2		04-2008	FCIC-25010-1		
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				16(423-426)	10-2007	FCIC-25010		
				17(427-429)	10-2007	FCIC-25010		
				18(430)	10-2007	FCIC-25010		
				19(431-435)	10-2007	FCIC-25010		
				20 (436-442)	10-2007	FCIC-25010		
				21 (443-452)	10-2007	FCIC-25010		

insured or the insured's authorized representative. Notices of damage MAY NOT require a field inspection when the crop provisions do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. Refer to (5) below.

- (4) When the notice of damage is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster documents in the insured's claim file why a field inspection is not required and closes the notice of damage.
- (5) A field inspection MUST be completed WHEN:
 - (a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);
 - (b) An insured requests consent to put insured acreage to another use;
 - (c) There is reason to suspect the insured did not follow good farming practices or uninsured causes of loss;
 - (d) Damage is inconsistent with other crops in the insured's area;
 - (e) There is any need to document actual field crop conditions; or
 - (f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that replanting would be required, but the insured does not intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.
- (6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant). However, if the insured could have replanted within the time frame that it was still practical, the acreage must be considered uninsured and the acreage report revised accordingly.
- J Replanted During the Late Planting Period Due to an Uninsured Cause
 - (1) If the insured crop is replanted during the late planting period due to the crop being destroyed by an uninsured cause (e.g., chemical damage), it will not be considered to be late planted and no reduction in the guarantee will apply. The replanted crop will be handled as any other replanted crop (i.e., the AIP's consent is required before the insured can replant as stated in subparagraph K below, the initial planting date, initial planting practice, applies, etc.), except the insured is not eligible for a replanting payment on such acreage, if it is a crop that has replanting provisions.
 - (2) During final loss adjustment of a unit containing such acreage:
 - (a) Determine if there is any reduction of yield that can be directly attributed to replanting the crop acreage in the LP period. If there is, show the per-acre amount of reduced yield as an uninsured cause appraisal.

(b) To determine whether there is a reduction in yield, compare the subject replanted acreage yields to yields of timely planted acreage of the same crop in the surrounding area. If such acreage did not suffer any loss of yield due to an insured cause, then this should indicate the loss of yield can be contributed to planting in the late planting period. On the other hand, if timely planted acreage of the same crop in the same surrounding area shows the subject replanted acreage and timely planted acreage both had similar losses of yield due to insured causes, an appraisal for uninsured causes may be applicable.

K Insured Replanted Without Notifying AIP of Intent to Replant or Replants without AIP's Consent

- Insured's must provide all notices required under the policy provisions. This includes notices when the insured wants to destroy any acreage of an initially planted crop and replant it. Section 14 of the Basic Provisions requires these notices. When the insured crop is destroyed without consent, the crop provisions provide for an amount of production to count that is not less than the production guarantee. When a first insured crop is destroyed without consent, no replanting payment can be made and no indemnity payment associated with the initial planting can be made.
- Additional policy provisions provide guidance regarding replanting, determination of the first insured crop, the second crop and crops which may be planted subsequent to a second crop. A first insured crop includes acreage that is replanted when replanting is practical.
- For any acreage where notice of damage was not given prior to the insured destroying any portion of the remaining stand and then replanting it, and the AIP determines replanting:
 - (a) Was NOT practical (for example, conditions were such that there was not adequate moisture, there was no marketing window, the condition of the field was not appropriate, etc.), no replant payment will be paid and not less than the production guarantee per acre will be included as production to count. The subsequent planting will be a second crop. Insurability of the second crop is determined in accordance with applicable policy provisions.
 - (b) Was practical and the first insured crop was replanted, insurance may be provided for the replanted crop. However, no replant payment can be made in this instance, and the AIP will apply uninsured cause of loss appraisals for any reduction in yield that may have occurred due to replanting after the final planting date.

66 PURPOSE OF THE CERTIFICATION FORM

A <u>Uses of the Certification Form</u>

Prepare the Certification Form upon completing:

(1) A replant inspection (for a replant payment) or;

- (2) The "final" inspection when any of the following apply:
 - (a) ALL the immature crop acreage on a unit has been appraised to be put to another use, and it is expected that the insured's intentions for such other use will not change. A Certification Form is not required when a mature crop is appraised to go to another use during or after the time harvest is general in the area, UNLESS: (1) the unharvested, mature production is appraised at greater than zero, (2) has zero market value, and (3) the crop provisions allow the crop to be quality adjusted to zero production to count AFTER such production is destroyed, as outlined in PAR. 96.
 - (b) The adjuster has not witnessed (or will not witness) destruction of production and there is the requirement to destroy mature appraised or harvested production that (due to an insured cause of loss) is to be considered zero production to count (or zero value to count, if applicable) due to: (1) applicable quality adjustment (e.g., zero market value) or (2) in accordance with the applicable crop provisions (or applicable crop endorsement, if applicable due to extent of damage to the crop (e.g., freeze damage to potatoes insured under Quality Endorsement). Refer to PAR. 96 J for zeromarket-value production.
 - (c) Production records are not readily available, for certain crops (or unavailability of price information to determine production value, if required to complete a claim; e.g., the value of cherries is not available until the marketing pools close. Refer to PAR. 69 C (4).
 - (d) The crop can never be mechanically harvested. The insured must sign a certification statement on this form as instructed in PAR. 85.

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